



FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329
(916) 322-5660 • Fax (916) 322-0886

June 8, 2010

✓ Mr. Gary Melton

Committee to Elect Gary Melton, Director, Yorba Linda Water District 2010

REDACTED

Warning Letter Re: FPPC No. 11/440, Committee to Elect Gary Melton, Director, Yorba Linda Water District 2010, and Gary Melton, Treasurer

Dear Mr. Melton:

The Fair Political Practices Commission (the "FPPC") enforces the provisions of the Political Reform Act (the "Act"),¹ found in Government Code section 81000, et seq. This letter is in response to a complaint filed against you that alleged you failed to disclose either an expenditure or a nonmonetary contribution in connection with several ads appearing in the *Yorba Linda Star* relating to your election to the Yorba Linda Water Board. We are closing this matter with a warning letter.

The FPPC has completed its investigation of the facts in this case. Specifically, the FPPC found that you failed to disclose an \$800 nonmonetary contribution in the form of campaign advertisements your campaign received from your restaurant, Joaquin's Mexican Restaurant.

The Act defines a contribution, in part, as a payment made at the behest of a committee is a contribution to the committee unless full and adequate consideration is received from the committee for making the payment. These are commonly referred to as nonmonetary or in-kind contributions. (Section 82015(b)(1).) Additionally, the Act requires that all campaign contributions be reported, including nonmonetary contributions. (Section 84211.) Your actions violated the Act because you failed to disclose the payments made by Joaquin's Mexican Restaurant for the political advertisements as nonmonetary contributions. However, because you filed an amendment to disclose this information immediately upon contact from the Enforcement Division and do not have an enforcement history, we are closing this matter with a warning letter.

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

This letter serves as a written warning. The information in this matter will be retained and may be considered should an enforcement action become necessary based on newly discovered information or future conduct. Failure to comply with the provisions of the Act in the future will result in monetary penalties of up to \$5,000 for each violation.

A warning letter is an FPPC case resolution without administrative prosecution or fine. However, the warning letter resolution does not provide you with the opportunity for a probable cause hearing or hearing before an Administrative Law Judge or the Fair Political Practices Commission. If you wish to avail yourself of these proceedings by requesting that your case proceed with prosecution rather than a warning, please notify us within ten (10) days from the date of this letter. Upon this notification, the FPPC will rescind this warning letter and proceed with administrative prosecution of this case. If we do not receive such notification, this warning letter will be posted on the FPPC's website ten (10) days from the date of this letter.

Please feel free to contact Teri Rindahl at 916.327.2018 with any questions you may have regarding this letter.

Sincerely,

REDACTED

✓ ✓ Gary S. Winuk /
Chief, Enforcement Division

GSW/tr

Cc: Mr. William Mills